

U.S. CONGRESS

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OFFICE OF GENERAL
July 30, 2016

Mr. Jeff S. Jordan
Assistant General Counsel
Complaints Examination & Legal Administration
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: Chappelle-Nadal for Congress Campaign Finance Reports

MUR 7106

Dear Mr. Vianello:

This is in response to your letter of July 18, 2016, and the corresponding letter of complaint from Michelle C. Clay dated June 26, 2016. In which you ask for correction of "what appear to be numerous likely violations of state and federal campaign finance laws."

Ms. Clay makes three distinct allegations: (1) that reimbursement to Sandy Tsai of \$14,000 from State Senator Maria Chappelle-Nadal's state campaign committee account is somehow "an inappropriate transfer of funds"; (2) that a \$1,000 contribution from such state campaign committee to the Chappelle-Nadal for Congress federal campaign committee that was reported in the state 2015 year-end report was absent from the Chappelle-Nadal for Congress federal campaign committee's January 31 and April 15 FEC reports; and (3) that the Chappelle-Nadal for Congress federal campaign committee failed to report to the FEC "a \$508 expenditure to Local Politech Strategies on November 19 for data maintenance and website hosting."

There is no merit to any of these three allegations.

1. The \$14,000 Reimbursement to Sandy Tsai

Ms. Clay cites no statute or regulation allegedly violated in connection with the Sandy Tsai reimbursement. This omission is telling. The reimbursement was in full compliance with all applicable law. It was of a \$14,000 contribution made by this donor and duly reported to the Missouri Ethics Commission ("MEC") in 2013. The reimbursement was at the request of this donor.

See RSMo § 130.034.2 (purposes for which contributions may be used include "The return of any contribution to the person who made the contribution to the candidate or holder of elective office").



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2. The Alleged Unreported \$1000 Contribution

There is a kernel of truth to this allegation made by Ms. Clay: such a contribution was included in the original state 2015 year-end report filed with the MEC. However, this fact does not establish a violation of law.

This amount was properly omitted from FEC reporting because it was never actually donated. After the check was prepared, and after the MEC year-end report was filed, but before the check was deposited, it was determined that this should not be done, and the check was voided and destroyed. Accordingly, an amended year-end report was filed with MEC removing this contribution. By the time the FEC filings were prepared, this \$1,000 amount was moot, having never actually come to fruition as a reportable donation.

3. \$508 Expenditure to Local Politech Strategies and Lack of FEC Reporting of Congressional Campaign Website Expenditures

Again, there is a kernel of truth to Ms. Clay's allegation: there was a \$508 expenditure to Local Politech Strategies for data maintenance and website hosting reported to the MEC. Again, this fact does not establish a violation of law.

This expenditure was made for purposes lawful for the use of state campaign committee funds, not for the congressional campaign, and it was properly reported as such in full compliance with the law.

This expenditure was for a website, "EyesOnFerguson.com," that State Senator Chappelle-Nadal created and maintained as a service to constituents for some time following the unrest in Ferguson, which is within State Senator Chappelle-Nadal's state senatorial district. The website has since been taken down, and the payment in question was final payment for it.

This expenditure was not for the Chappelle-Nadal Congressional campaign website, and it therefore need not be reported to the FEC. That website is being provided at no cost by the Progressive Change Campaign Committee ("PCCC"). It is, therefore, an in-kind donation to the congressional campaign, and it will be duly and properly reported as such at the appropriate time.

I trust this answers your questions concerning Ms Chappelle-Nadal's compliance with applicable law, as raised by Ms. Clay.

George Lenard

Treasurer, Chappelle-Nadal for Congress